



*This worksheet is fillable and will calculate. Click on the amount space for line 1 to begin. Enter your information, then tab to the next line. You cannot save a completed form unless you have purchased special software from Adobe. You may, however, print your completed worksheet.*

## Alternate Tax Worksheet

### ALTERNATE TAX MAY REDUCE TAX LIABILITY.

**Single taxpayers do not qualify for the alternate tax calculation.**

**For filing statuses 2, 3, 4, 5, and 6:** If the combination of your net income from line 26 PLUS any pension exclusion taken on line 21 exceeds \$13,500, you may OWE LESS TAX by completing the worksheet below to compute your tax liability. Enter this alternate tax on line 43 if it is less than the tax from the tax table.

**If you are married filing separately and one spouse has a net operating loss that will be carried back or forward,** then you cannot use the alternate tax computation. If the spouse with the net operating loss elects not to carry the net operating loss back or forward, then you can use the alternate tax computation. A statement must be attached to the return saying that the spouse with the net operating loss will not carry it back or forward.

- |  |                                  |
|--|----------------------------------|
| 1. Enter the total of net income from line 26 and pension exclusion from line 21 of the IA1040.<br>Filing statuses 3 or 4: Enter combined totals of both spouses.        | 1. _____                         |
| 2. Subtract \$13,500 from line 1.  | 2. <u>      — \$13,500      </u> |
| 3. Income subject to alternate tax.  | 3. _____                         |
| 4. Multiply line 3 by 8.98% (.0898).   | 4. _____                         |
| 5. Using the tax tables, determine the tax on the taxable income from line 42 of the IA1040.<br>Status 3 and 4 filers: Calculate tax separately and combine the amounts. | 5. _____                         |
| 6. Compare the amounts on line 4 and line 5.<br>Enter the smaller amount here and on line 43, IA1040.  | 6. _____                         |

**If alternate tax (line 5 above) is the smaller amount,** you will need to divide that amount between spouses in the ratio of the net income of each spouse to the combined net income of both spouses.